

The Journal of Commerce

THE BUSINESS
MAN'S DAILY

ONE CENT

MONTREAL, MONDAY, JULY 19, 1915

WEATHER:
FAIR AND COOL

VOL. XXX, NO. 62

The MOLSONS BANK
Incorporated 1858

Capital \$4,000,000
Reserve Fund \$4,800,000

HEAD OFFICE: MONTREAL

83 BRANCHES SCATTERED
THROUGHOUT CANADA

The Crown Trust Co.
145 ST. JAMES STREET - MONTREAL

Paid-up Capital - \$500,000

A conservative trust company for the public's service, able and willing to act in any approved trust capacity.

ENQUIRIES ARE CORDIALLY INVITED

The Home Bank of Canada
ORIGINAL CHARTER 1954

Head Office, Toronto. James Mason, General Manager
Branches and Connections Throughout Canada.

SIX OFFICES IN MONTREAL.

Main Office, Transportation Bldg., St. James St.
Bonaventure Branch, 523 St. James St.
St. Charles Branch, Cr. Cavillier and Ontario Sts.
St. Royal Branch, Cr. Mt. Royal and Papineau Ave.
Papineau Branch, Papineau Square.
St. Denis Branch, 478 St. Denis Street.

CANADIAN CONVERTERS COMPANY
WAS INCORPORATED IN 1906

The Canadian Converters Company, Limited, which recently passed its dividend, was incorporated in 1906 for the purpose of acquiring the stocks of the Standard Shirt Manufacturing Co., Ltd., the John P. Mack Company, Ltd., the A. H. Sims Company, Limited, and G. H. Harrower.

The company has an authorized bond issue of \$1,000,000 of 6 per cent. bonds, of which \$199,000 are outstanding. There are in addition \$215,000 of 5 per cent. first mortgage bonds of the Standard Shirt Manufacturing Company outstanding.

The company has an authorized capital stock of \$1,000,000, of which \$1,733,500 is outstanding.

The following shows the profits, the high and low of the stocks and the dividends paid during recent years:

	1912-13	1911-12	1910-11	1909-10		
Profit	\$121,454	\$120,485	\$89,880	\$111,529		
High and low of the company's stock over a period of years, follows:						
1914	1913	1912	1911	1910	1909	
High	40	50	48	45	46	49
Low	37	39	30	32	33	34

In 1908 the company paid a dividend of 3 per cent. In 1909-1911 nothing was paid; in 1912 2 per cent. and in 1913 and 1914 4 per cent.

Mr. J. M. Gordon is president of the company, and Mr. G. R. Copping vice-president.

The other directors are Messrs. John Baillie, James G. L. Thoms, Thomas Rodger, W. G. R. Gordon and John Mackie.

CHESAPEAKE AND OHIO HAS CARRIED 122,500 ANIMALS FOR THE ALLIES.

New York, July 19.—Since last November, when traffic started, Chesapeake and Ohio has carried over the lines 122,500 horses and mules for use in the allied armies. Two train loads a week has been the average, taken through to Newport News on a fast night schedule.

In ten months ended April 30, government figures showed that a total of 255,088 horses and mules, valued at \$25,261,582, was exported. On that basis it may be roughly estimated that the C. and O. is carrying perhaps half the total rail traffic to tidewater horses and mules destined for Europe.

TWIN CITY RAPID TRANSIT.

The Minneapolis city council has passed an ordinance which the Mayor is expected to sign, regulating trolley buses in Minneapolis. The ordinance provides for a license fee of \$15 a year for each trolley bus, and a maximum of \$10,000, regular routes and schedules, with a limit of two passengers per seat, and a limit of two passengers per car.

The ordinance will take effect Aug. 1, and is expected materially to reduce the competition between trolley and bus. Trolley owners will test the ordinance in the hope to secure an injunction preventing enforcement until the case has been finally decided.

REGULATE BOURSE LIQUIDATIONS.

A bill has been introduced in the French Chamber of Deputies to regulate bourse liquidations which has been suspended since July 31, 1914. The bill provides for an advance on a guarantee of the state of the brokers' association and on securities to the liquidators, and the sums necessary to assure the payment of the capital employed in carrying over liquidation, repayments not to be exacted until a year after peace is declared.

LUMBER MILLS ON FIRE.

North Bay, Ont., July 19.—The large lumber mills of the George Gordon Company, Limited, at Cache Lake, are on fire. The fire was discovered at 11:40 this morning and is now burning fiercely and it looks as if the loss will be enormous.

ITALIAN CRUISER SUNK.

Venezia, July 19.—Italian cruiser Giuseppe Garibaldi has been sunk by an Austrian submarine.

BATTLES ARE RAGING ALONG FIVE FRONTS

Russian Troops Forced to Retreat and Enemy Using Cavalry in Pursuit

THE FIGHT FOR SOUCHEZ

French Attacks on the Cemetery and Hill Were Repulsed—Most Serious Series of Engagements Is in Progress.

(Special Cable to Journal of Commerce.)

London, July 19.—Fighting together all their resources in men and artillery, the Germans and Austrians are assaulting the Russian line from the Baltic to its southernmost flank, concentrating their greatest effort on the line from the Vistula to the Bug in an effort to seize the Lublin-Cholm railroad, the loss of which would be a vital blow to the Russians depending Warsaw from attack on that side.

The opposing armies are engaged on five distinct fronts, and the Germans assert that everywhere the Russians are being driven back. Petrograd describes the terrible onslaughts made against the Teutonic Allies, in what will probably prove the most terrible series of battles of the entire war thus far, but asserts that at many points where the enemy claims a victory he was repulsed with sanguinary losses.

On both the Narva and the Lublin the Russians admit being forced to retire and regroup their troops. In the Riga and Shavlin regions the Germans are using a great force of cavalry in continuing their offensive there.

On the western front the heaviest fighting continues to centre about Souchez in Artois, and on the heights of the Meuse. French attacks on the cemetery and hill at Souchez were repulsed, while on the heights of the Meuse the French infantry recaptured a trench lost on Saturday on the ridge south of the Sonvaux Ravine. The enemy was again burning liquids in this region.

The most important combat reported from the Italian front is one in progress in the Predil Pass, where the fire of the Italian heavy artillery caused serious fires in the enemy's works. Local engagements resulting to the advantage of the Italians are reported on the Tyrol, Trentino and Carnia fronts.

FRENCH FINANCING IN U. S.

New York, July 19.—There has been no change in the situation regarding arrangements for French financing in this market through acceptances since Brown Brothers & Company issued the statement over a week ago saying that such negotiations were under way to cover the cost of export other than war munitions.

Reports regarding the matter would give the impression that the arrangements had been completed. No announcement has been made by the bankers who have charge of loan to the French bankers on the American securities as collateral but it can be authoritatively stated that the amount of this loan has been greatly over-estimated. A maximum figure of \$20,000,000 will more than cover the amount of the loan to date.

FRENCH REPULSE ATTACKS.

Paris, July 19.—Violent attacks have been launched by the Germans over an extended front according to official communiques issued by the War Office. All attacks were repulsed, however, by the French.

The French positions near Souchez, in the Artois, and in Lorraine were assaulted by German infantry and hand fighting followed in those quarters.

GERMANY'S SUPREME EFFORT.

Berlin, July 19.—Supreme effort of Germany and Austria to crush Russia is now in full swing, with Teutonic allies meeting with brilliant success at every turn.

Confident predictions were made here to-day that Warsaw will be in German hands by the middle of August.

DEMAND FOR MONEY RESTRICTED.

London, July 19.—The demand for money was restricted. Weekly loans, however, were in moderate request in connection with call on war loan. Over 4 per cent. was paid. There was large business done at the bank. Discounts nominally quoted 5 per cent. The stock market was inactive and American shares were lower. Canadian Pacific was also lower on poor traffic showing.

FOREIGN EXCHANGE.

New York, July 19.—Foreign exchange: Sterling—Cables, 157 1/2-16, demand, 178 5/16. France—Cables, 52 1/2; demand, 53. Mark—Cables, 81 1/2; demand, 81 9/16. Lires—Cables, 61 1/2; demand, 61 1/2.

COMMERCIAL PAPER MARKET.

New York, July 19.—There is little change in local commercial paper market. Quoted rates are unchanged at 3 to 3 1/2 per cent. for those names of 60 to 90 days maturity, 3 1/2 to 3 3/4 per cent. for six months.

TAX EXCESSIVE COAL PROFITS.

London, July 19.—British Government intends to tax the excessive profits of the coal trade. President Runciman announced this in the Commons to-day. It is thought the announcement will have considerable influence in bringing the Welsh coal strike to an end.

LONDON MONEY MARKET.

It is officially announced that the minimum price would be fixed for new war loan. It is expected dealings will commence in loan after end of the month.

ROYAL BANK DIVIDEND.

The Royal Bank has declared its regular quarterly dividend of 3 per cent., payable 1st September to shareholders of record 14th August.

CASUALTIES AT DARDANELLES.

London, July 19.—Premier Asquith announced in the House of Commons that the casualties at the Dardanelles were 42,431.



MAJOR-GENERAL SAM STEELE.
In command of the 2nd Canadian Contingent, which has just been inspected by Premier Borden and Major General Hughes.

Men in the Day's News

Lieut.-Colonel J. G. Ross, who is taking charge of the Training School for Subalterns, is a prominent chartered accountant of this city. He was born in Montreal in 1861, and educated at Montreal High School and at the Agricultural College, Guelph. He is a son of the late P. S. Ross, and is one of five brothers, all of whom have risen to prominence in the business world. Lieut.-Colonel Ross is an enthusiastic military man, becoming Lieutenant-Colonel of the 5th Royal Highlanders in 1909. He is a director of a number of financial corporations and apart from his business activities is keenly interested in all kinds of outdoor sports.

The Rt. Hon. Arthur Henderson, president of the Board of Education in the Coalition cabinet, has represented the Labor interests in Parliament since 1903. He is a native of Glasgow, having been born in that progressive burg in 1863. He is an iron moulder by trade and keenly interested in all labor questions. Mr. Henderson is the first man without a university education to be given charge of the portfolios of education. He is a man of marked ability, is absolutely devoid of side, is a total abstainer and a prominent worker in the Methodist Church. Mr. Henderson has two sons serving in the ranks against the Germans. To an unusual extent Mr. Henderson has the confidence of the Labor Party in Great Britain.

Lieut.-Colonel Fred Sneath, whose death has just occurred as the result of having both feet amputated while attempting to board a train, was a native of Barrie, Ont. He was the officer in command of the 25th Regiment, and was leaving for camp at Niagara when the accident occurred. He was born near Barrie, and entered the 35th as a private in No. 5 Company, passing through the various ranks until he obtained command of the regiment three years ago. A short time ago he met with an automobile accident which injured his knee. He expected to be examined at Niagara Falls and get a clean bill of health, which would permit him to go overseas, when the accident occurred which cost him his life.

Sir J. A. M. Aikins, who has been chosen leader of the Conservative Party in Manitoba, is to the manner born, his father being a former Cabinet Minister and a leader in the Conservative Party. The new leader represents Winnipeg in the House of Commons. He was born in Peel County, Ont., in 1851, and educated at Brampton, Upper Canada College, the University of Toronto and Osgoode Hall. On graduation he went west and practised law in Winnipeg, where he soon became an outstanding figure. For many years he was counsel for the C. P. R. and later was chief counsel for the Manitoba Government. Sir James is a director of a large number of companies, especially those having their headquarters in the West. He is a leader in the movement for prohibition, is one of the outstanding figures in the Methodist Church and prominently identified with Y. M. C. A. and kindred work.

John Wanamaker has just been voted the greatest Pennsylvanian. The Governor of the State made a suggestion some weeks ago that the public express their opinion as to the greatest Pennsylvanian and the one most deserving of honor at the San Francisco Exposition. Wanamaker won out by an immense majority, receiving nearly four times as many votes as did the Governor himself. Philadelphia's great merchant prince was born in that city in 1838, and is now seventy-seven years of age. He was educated at the public schools and entered a book store as errand boy at fourteen years of age. He later became a salesman for a clothing house. In 1876 he established a department store in Philadelphia and twenty years later one in New York. He was Postmaster-General in the Cabinet of President Harrison. Mr. Wanamaker is a leader in religious work connected with the Presbyterian Church, and also in the Y. M. C. A. and has given very large sums to all kinds of religious and philanthropic institutions.

Baron Sydney Sonnino, the Italian Foreign Minister, is the man really responsible for Italy's entry into the struggle on the side of the Allies. Sonnino is half an Englishman, holds decidedly pro-British sentiments. He succeeded to the Foreign Office early last winter when San Giuliano, the former Foreign Minister, died. As soon as he obtained office, Sonnino commenced a vigorous campaign to force the Austrians to give up territory to Italy. He made no bones about his demands, simply stating that Austria must yield certain territory to Italy or the latter would fight for it. Austria yielded considerable, but not enough to satisfy the belligerent head of the Foreign Office, with the result that a few months ago Italy went to war with Austria. His views and Italy's contentions are contained in a Green Book, which stripped of their polite diplomatic phraseology, consist of a cold-blooded proposition for compensation or the taking of the consequences. The present Foreign Minister is one of the brightest minds in the Italian Cabinet.

OUR FLOATING DEBT TO BANK OF ENGLAND

Suggests That a Considerable Part of Any New Loan Should be Taken at Home

EASE TENSION IN LONDON

To Enquire Successful Placing of War Loan of Any Importance in Canada Rate of Interest Would Have to be Put at 5 Per Cent.

By H. M. P. ECKARDT

The statement of public debt and expenditure as issued by the Department of Finance under date June 30th, 1915, shows the "temporary loans" to have grown to \$100,840,350. This no doubt includes the \$5,000,000 borrowed by the Dominion Government from the Bank of Montreal, and presumably the amount borrowed from the Bank of England stands at \$95,000,000. As a result of the recent arrangement whereby Canada undertakes to keep 150,000 men in arms we may be sure that it will be necessary to call on the Bank of England for fresh advances each month amounting to at least \$10,000,000, and perhaps an even larger monthly loan will be asked for.

With reference to the subscriptions by Canadian insurance and financial institutions to the big British war loan, the new Chancellor of the Exchequer, Right Hon. Mr. McKenna, is reported as intimating that while subscriptions from the Dominions were welcome, it was thought in London that the Government of the several great Dominions would contribute more directly to the financial support of the mother country if they endeavored to place a considerable part of their new loans at home and thus reduced to the smallest compass their demands on the big British central bank.

This is a broad hint to us, among others, and it may be presumed that there will be discussion between our Finance Minister and the British Chancellor regarding the feasibility of a Canadian domestic war loan. There are two principal objections urged against such a loan from the Canadian point of view. The first is that the distribution of the bonds here in Canada would absorb much of our limited supplies of ready money—all of which is ordinarily needed for other purposes, and second, that the financial operations following a purely domestic loan would have a tendency to turn the exchanges with the United States more decidedly against us than at present. Many people here have the idea that if a \$50,000,000 war loan were placed in this country, most of the money would come out of the savings departments of the banks. Perhaps a considerable sum would be thus derived, but it should be remembered that the subscriptions would be payable in installments and payments would be made to meet their periodical payments with fresh accumulations of savings instead of through drawing on capital already accumulated. If there were general efforts throughout the country to economize especially in the matter of imported luxuries, the maximum benefit would be derived. Thus take a case where a man with a good income decides to purchase \$2,000 war bonds instead of an imported automobile costing a like amount. This party might meet his installments of the war loan on the successive due dates by means of his accruing profits, and perhaps when the bonds were finally taken up in full his balance at the bank would not be much, if any, below the figure at which it stood at the beginning of the same week. He would be a wage-earner who buys a \$25 or \$50 bond, in lieu of spending that amount on imported luxuries, also contributes to the financing of the war to a successful conclusion. He, too, meets his payment on the bond by setting aside something of the same amount, or there would be no need to break up the savings in the bank or draw upon it.

The foregoing illustrations show how a portion of the loan might be taken up in Canada without depleting the savings funds and without adversely affecting the exchanges. Even if there were a fall in bank deposits, the crisis is so overwhelmingly important as to make that circumstance appear to be unworthy of serious discussion. The question of the effect of a domestic loan on our foreign exchanges has some importance. Quoted in New York Canadian funds are now at a discount of broadly 1 1/2%, and the existence of this discount has proved inconvenient and troublesome for all Canadian business men having to remit funds to the United States. Nobody here wishes to see the exchanges with our American neighbors move further against us. Under the present plan the outlays for our military expenditures in Europe are easily arranged. The Finance Minister so to speak simply hands in his note to the Bank of England proceeds are placed to his credit in London and on the balance sheet created he draws to cover disbursements in England or France. As a large part of the expenditure is to be made on the other side of the Atlantic, this arrangement obviously has its advantages. There would be no need to break up or interfere with the present arrangement of a monthly loan or advance by the Bank of England. That could go on as in the past few months, but Canada might take steps to clear off now a part of the floating debt in London instead of allowing it to pile up until the end of the year. Suppose by means of a domestic loan we brought the balance due to Bank of England down to \$50,000,000, the assistance would be quite material and would be fully appreciated in London.

For the sake of argument let us say that the successive installments had produced \$50,000,000 funds in the form of balances in Canadian banks. To remit this to England it would probably be necessary to buy New York funds as a preliminary to buying sterling exchange in the American market. This preliminary move—getting our funds to New York—would be the one most difficult to carry through, and it might easily happen that unless we released a certain amount of gold the premium on New York funds would rise above the 1 1/2% level. However, if we export large quantities of high priced wheat and great quantities of shells and other munitions for the use of the Allies, the bills drawn against the same, with perhaps \$5,000,000 or \$10,000,000 gold exports to New York, might put the exchange with the United States on a better footing. Once the funds were in New York the remittance of the money to London could be made at a good profit. Providing that the purchases of sterling exchange in New York were made at an average of 4 1/2, fifty million dollars so employed would yield \$10,500,000 exchange—whereas the same amount used to purchase sterling at around 4 1/2 would yield only \$10,250,000. Thus, allowing for the payment of 1% or \$500,000 as premium on New York funds, there would be a net profit of roundly \$250,000 on the transfer of the money to England.

If the New York funds were obtained (or allowed for) at a lower rate the profit would be greater.

It is altogether likely that to ensure the successful placing of a war loan of any importance in Canada, the rate of interest would have to be put at 5% and special facilities and commissaries provided which would have the effect of bringing the cost of the money above 5%. There is also the question of bringing the loan off simultaneously in the United States and Canada. A combined loan of \$100,000,000 successful would entirely clear up the floating debt to the Bank of England. If \$50,000,000 were obtained in the United States the subscriptions there could be largely applied in purchase of sterling exchange, and as the funds would already be in New York the 1 1/2% premium on New York funds would be avoided.

PRESIDENT WILSON RETURNS.

Washington, July 19.—President Wilson returned to Washington at 9:35 o'clock, following three weeks' vacation at Cornish, N.H.

He went directly to the White House and prepared to take up official routine.

RUSSIAN MINISTER RESIGNS.

Petrograd, July 19.—Minister of Justice Schelogovitch has resigned, this being the third resignation from the Russian cabinet within the past few weeks.

THE CANADIAN BANK OF COMMERCE

Head Office---TORONTO

Paid Up Capital - - \$15,000,000
Rest - - - - - 13,500,000

Board of Directors:
SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
A. LAMB, Esq., K.C., LL.D., Vice-President
JOHN HOBSON, Esq., K.C., LL.D., D.C.L.
SIR LYMAN M. JOHNS, Esq., K.C., LL.D.
SIR JOHN M. GIBSON, K.C.M.G., K.C., LL.D.
FRANK P. JONES, Esq.
WILLIAM FARWELL, Esq., D.C.L.
CHARLES COLBY, Esq., M.A., Ph.D.
J. W. Flavelle, Esq., LL.D.
A. Kingman, Esq.
Hon. W. C. Edwards, Esq.
E. H. Wood, Esq.
G. F. Galt, Esq.
Robert Stuart, Esq.
Gardner Stevens, Esq.
Alexander Laird, Esq.
A. C. Flamerfelt, Esq.
G. G. Foster, Esq., K.C.
H. J. Fuller, Esq.
George W. Allan, Esq.
ALEXANDER LAIRD, Esq., General Manager.
JOHN AIRO, Assistant General Manager.

WITH BRANCHES THROUGHOUT CANADA AND IN THE UNITED STATES, ENGLAND AND MEXICO, AND AGENTS AND CORRESPONDENTS THROUGHOUT THE WORLD. THIS BANK OFFERS UNSURPASSED FACILITIES FOR THE TRANSACTION OF EVERY KIND OF BANKING BUSINESS IN CANADA OR IN FOREIGN COUNTRIES.

Collections Effected Promptly and at Reasonable Rates.

WILSON PREPARES NEW NOTE TO GERMANY

Tension Increased by Orduña Outrage Which Washington Takes as Evidence of Disregard

SUBMIT NOTE TO CABINET

Is Firm and Explicit and "Reiterates with Emphasis"—Time for Academic Discussion has Passed—Will Keep Steps a Secret.

Washington, July 19.—The President discussed with Secretary Lansing for an hour and a half preparation of the note to Germany. This note is being prepared by the President with the assistance of the Secretary of State and will be presented to the Cabinet at the session to-morrow.

The note, it is said, is firm and explicit and reiterates with emphasis the position taken by President Wilson in the two former notes.

The existing tension between this country and Germany is gravely increased by the attack of a German submarine on the Cunard Line steamship Orduña, outward-bound, from Liverpool, with American passengers on board.

The attack on the Orduña, it is generally held, means nothing more nor less than that Germany does not intend to turn from the Von Tirpitz programme of undersea warfare which has called forth the protest of this government. It is also felt that the time for any academic discussion has passed and that the United States will now present to Germany a note dealing with specific cases of wrongs committed against the Americans since the second note of the Lusitania outrage was despatched to Berlin.

Mr. Wilson has fully determined upon the course to be followed by this country. It is said, and will outline this to Mr. Lansing when they meet to-day. When the Cabinet gathers to-morrow, the President will lay before it a draft of the American note prepared at Cornish, N.H. Not only this, but the change in the situation brought about by the attack on the Orduña will be considered by the Cabinet.

It is believed by many that this latest incident may materially affect the temper of the forthcoming note to Berlin.

The Cabinet also has now to consider what action is to be taken by this country in the event of further offenses and to prepare for all eventualities. Whatever steps are taken in this direction will be kept a profound secret, it is believed.

U. S. VISIBLE SUPPLY OF GRAIN.

New York, July 19.—Visible supply of grain in the United States follows:

	Decrease.
Wheat	5,761,000 1,425,000
Corn	3,312,000 948,000
Oats	2,442,000 848,000
Bonded wheat	48,000 200,000
Other	36,000 92,000

EDDYSTONE MUNITIONS COMPANY.

Philadelphia, July 19.—To handle orders for war munitions received by the Baldwin Locomotive Works the Eddystone Munitions Company will be incorporated immediately and \$15,000,000 will be expended in the erection of new buildings at the Eddystone branch of the Baldwin works.

MONTREAL STOCK EXCHANGE.

(Unlisted Securities.)
Montreal, Monday, July 19th, 1915.

Miscellaneous—
Asbestor Corp. of Canada 10 5
Do. Pfd. 20
Do. Bonds 67 1/2 60
Can. Light & Power Bonds 60
Carriage Factories, Ltd. 38
Do. Pfd. 80
Cedars Rapids Mfg. & Power Co. 60
Dominion Glass Co. Ltd. Pfd. 38
Mont. Tramway & Power Co. 40
National Brick Com. 42
Do. Bonds 72
Sherbrooke Railway & Power Co. 18
Western Can. Power 25
Wayagamac Pulp & Paper Co. 25
Do. Bonds 74

Transactions.
Asbestos Pfd.—10 at 20.